

**Penmac Staffing Services  
401k Retirement Savings Plan**

**INVESTMENT POLICY STATEMENT**

**INTRODUCTION**

The Benefits Committee (the “Committee”) has been assigned the responsibility by Penmac Staffing Services, Inc. (the “Company”) to oversee the entire operation and administration of the Penmac Staffing Services 401k Retirement Savings Plan (the “Plan”), and within the scope of this broad responsibility is the responsibility to oversee the investment alternatives (the “Investment Alternatives”) made available to participants to select for the investment of the assets of their individual accounts under the Plan. The Committee has adopted this Investment Policy Statement (this “Policy”) to set forth how the Committee proposes to fulfill its oversight responsibility with respect to the Investment Alternatives.

**THE PURPOSE OF THIS POLICY**

The purpose of this Policy is to provide guidance to the members of the Committee and to the service providers employed by the Committee on the exercise of the Committee’s oversight responsibilities respecting the Investment Alternatives. This Policy acknowledges that the individual members of the Committee are appointed by the Company to serve as such based primarily on their broad management skills and experience and their good judgment. Thus the Committee in the implementation of this Policy necessarily will need to rely as in other areas of the operation and administration of the Plan on service providers selected by the Committee to advise the Committee with respect to the selection and retention of Investment Alternatives for the Plan which, among other things, will enable the Plan to continue to satisfy the requirements under section 404(c) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

**FUNDING POLICY**

The Committee in evaluating recommendations made by service providers under this Policy will rely in relevant part on the Company making contributions to the Plan in the amount and within the time periods called for under the Plan.

## **GENERAL INVESTMENT PHILOSOPHY**

The Committee will look to its service providers to make recommendations to the Committee on Investment Alternatives for the Plan (1) which will enable the Plan to satisfy the requirements of section 404(c) of ERISA, (2) which will have a competitive performance record and fee schedule when compared to comparable investment alternatives and (3) which will provide meaningful and relatively easy to understand distinctions to participants between one Investment Alternative and another Investment Alternative.

The Committee expects that any recommendation to the Committee will at a minimum address the following:

### Organization Overview

- Years in business
- Assets under management
- Financial stability of organization
- Experience of investment professionals
- Turnover of investment professionals
- Compliance with legal and industry standards
- Administrative/reporting capabilities

### Investment Analysis

- Length of investment track record
- Performance vs. appropriate benchmarks over various time periods
- Performance vs. appropriate peer groups over various time periods
- Consistency of performance results
- Risk-adjusted returns
- Volatility
- Consistency of investment strategy
- Fees vs. peer group

Finally, the Committee understands and appreciates that making too many Investment Alternatives available can be as detrimental to the best interests of participants in the Plan as making too few alternatives available.

## **GUIDELINES FOR SELECTING FUNDS**

Investment Alternatives will be selected by the Committee based on recommendations made by the Committee's service providers and the Committee's general investment philosophy as set forth in this Policy. After an Investment Alternative which a service provider recommends is selected, the service provider will be expected to monitor the performance of that Investment Alternative as well as any changes in the organization or financial condition of the person who manages that Investment Alternative and to provide a written report each quarter on the foregoing to the Committee and then meet with the Committee to recommend in light of such report whether the Committee should continue to make that Investment Alternative available under the Plan. The Committee based on the recommendations of its service providers may add or delete Investment Alternatives from time to time.

## **CONTROLLING AND ACCOUNTING FOR INVESTMENT EXPENSES**

On an ongoing basis, the Committee with the help of the service providers will review all costs associated with the management of the Plan's investment program, including:

- Expense ratios of each investment option against the appropriate peer group.
- Custody fees: The holding of assets, collection of income, and disbursement of payments.
- Administrative fees: Costs to administer the Plan, including record keeping, account settlement (participant balance with that of fund), allocation of assets and earnings, and (when applicable) the proper use of 12b-1 fees to offset these fees.
- Service provider fees.

## **COMMUNICATIONS**

The Committee from time to time will sponsor educational/informational seminars where the then available Investment Alternatives and related investment material and asset allocation models will be presented and discussed.

Each participant will at the direction of the Committee be provided with a written description of each Investment Alternative and, as relevant or required by law, a prospectus for each Investment Alternative in which he or she directs the investment of his or her Plan account.

Finally, a copy of this Policy shall be provided to each service provider employed by the Committee to provide services under this Policy and shall be made available to participants.

**POWER TO AMEND THIS POLICY**

The Committee may amend this Policy at any time, and from time to time, as the Committee deems necessary or appropriate.

**ADOPTION OF INVESTMENT POLICY STATEMENT**

The Committee has adopted this Policy effective as of January 1, 2021, and it shall replace any policy previously in effect.

  
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For the Committee